

ORDER NO.

- (1) to reclassify its net carrying values in its investment in the Retired Units to unrecovered plant regulatory asset accounts (FERC Account 182.2 – Unrecovered Plant and Regulatory Study Costs) upon their retirement;
- (2) to recognize additional costs incurred related to the potential early retirement of the Retired Units to the unrecovered plant regulatory asset accounts (e.g., dismantlement costs and other costs incurred related to the retirement, net of any salvage or recovery proceeds that may be received);
- (3) to include its carrying value in the obsolete inventory, which is currently estimated to be less than \$100,000, in the unrecovered plant regulatory asset accounts;
- (4) to record any disposition salvage proceeds received as a credit (reduction) to the unrecovered plant regulatory asset accounts;
- (5) to amortize the balances in the unrecovered plant regulatory asset accounts in amounts equal to the level of depreciation expense previously being recorded for the units at their retirement, with such amortization to begin upon the Retired Units being removed from service and continuing until the unrecovered costs are fully recovered; and
- (6) to reclassify the \$1.1 million in negative carrying value for the Hardeeville unit to a regulatory liability account (FERC Account 254 – Other Regulatory Liabilities). DESC is authorized to recognize additional costs incurred related to the potential retirement and dismantlement of the Hardeeville unit as a reduction to this regulatory liability and to credit any salvage proceeds received as an increase to the regulatory liability. However, DESC is required to propose an appropriate manner to return any balance in this regulatory liability to customers in a future rate setting proceeding.

It is further ordered that the Commission, ORS, or any interested person or party of record, is NOT prohibited or precluded from addressing the reasonableness of, or the recovery of, the costs; including but not limited to, the costs incurred related to the dismantlement and potential retirement of the Units, carrying costs, obsolete inventory costs and salvage proceeds, and the amortization periods of such unrecovered costs in a subsequent general rate case or other proceeding.

I further move that the Commission and ORS shall monitor the Items (1) through (6) above prior to DESC's next general rate case and therefore, DESC shall:

- (a) file annual updates as of December 31st of each year on each of the requested items (1) through (6) with the Commission, ORS, and any other interested party;
- (b) make every reasonable effort to sell the obsolete inventory and the proceeds from the sale be used as a credit (reduction) to the unrecovered place regulatory assets accounts.
- (c) notify the Commission, ORS, and any other interested party of the actual retirement date for each of the proposed Retired Units as they are retired from commercial operations.

PRESIDING:
J. Williams

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER	
BELSER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Present in Hearing Room
CASTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Voting via WebEx
ERVIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Voting via WebEx
POWERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Voting via WebEx
THOMAS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>	Annual Leave
C. WILLIAMS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Present in Hearing Room
J. WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Present in Hearing Room

RECORDED BY: J. Schmieding



